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CIA misled US on Russian oil figures

From Alex Brummer in Washington

A new CIA report, which predicts oil independence by the Soviet Union for the rest of the decade; challenges the foundation on which the Reagan Administration, and the Carter team which preceded it, have based much of their foreign and defence policy.

The latest CIA estimates contradict earlier reports that Russian oil production would start to decline in 1980 and that it would be importing foreign oil by 1985. It was on the basis of these earlier estimates that the United States, after the invasion of Afghanistan; designated the Gulf as an area of vital interest to the West and has acted to strengthen its strategic capability and presence in the region.

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As recently as last Sunday, the US Defence Secretary, Mr Caspar Weinberger, when defending the sale of the sophisticated Awac radar planes to Saudi Arabia, said: "We are giving the Middle East a much greater capability of defending itself.

"If the oilfields fell to the Russians or if we were denied access..."both Europe and America would suffer very greatly and I think it's very important to thelp them (the Saudis) prevent that."

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In a series of reports from 1977 onwards, the CIA had forecast the Soviet Union oil production would begin to decline by 1980 and that by 1985 it would be importing 3.5 million barrels a day. The CIA now says that these estimates were wrong as a result of in-

creased Russian investment
As a result, US policymakers
determined that the Russian
need for oil might encourage it
to inove towards the Gulf
region in its search for new
energy sources. This belief
was emphasised when the Russtans moved into Afghanistan
which many experts, including
the then National Security
Adviser, Mr Zbigniew Brzzinski saw as a stepping stone
to the oilfields and the warm
water ports.

Among the policies developed to deal with this was the establishment of a 100,000 strong rapid deployment force by President Carter; the determination by the Reagan team that the US ought to have a presence in the Gulf; the extension of NATO's role to the Gulf and more recently a strategic approach to the Middle East which has put defence considerations, such as the security of Saudi Arabia above the pursuit of the Camp David peace process.

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The Soviet Union has publicly, reported that its oil production has been gradually rising and is now at 12.1 million barnels a day — making it the largest oil producer in the world, followed by Saudi-Arabia and the United States.

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The original CIA estimates put production in 1985 at eight to 10 million barrels, but this has been revised upwards to 10 to 11 million barrels. The Russians' own projections put oil production in 1985 at 124 to 125 million barrels.

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The latest CIA figures, differing from estimates in the previous few years, has again raised questions here about the quality of US intelligence information and the wisdom of politicians basing political decisions on it.

Mr. Michael Goldman. associate director of Harvard's Russian Research Centre, later praised the CIA reassessment as a more accurate reflection of the world situation.